THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE): (a) Counter trade proposals involving adjustment of value of goods inported into India against value of goods exports from India in terms of an arrangement voluntarily entered into between the Indian party and the overseas party through an ESCROW account opened in India in US $ are considered by the Reserve Bank of India, US $ ESCROW accounts are permitted to be opened and maintained by the overseas suppliers with banks in India. All imports and exports under the arrangement should be at international prices and all transactions routed through the account should be in comformity with Indian Trade and Exchange Control Regualtions. The balances in the account are not allowed to be remitted outside India. No interest is paid on the balances held in the accoaunt. However the funds rendered temporarily surplus are allowed to be held in short term deposit upto a total period of 3 months in a year and interest thereon can be paid at applicable rate.

(b) US $ ESCROW accounts are maintained by overseas suppliers/organisations or the overseas banks on behalf of their suppliers constituents. As on 28th February 1999 such accounts of parties from 10 countries were being maintained.

(c) As mentioned at (a) above the US $ ESCROW accounts are permitted to be maintained by the overseas suppliers/organisations/banks. The number of US $ ESCROW accounts permitted during the last three years was 37, comprising of 8 accounts of overseas suppliers/organistions and 29 accounts of the overseas banks.

Trends in Tobacco Exports

2042. SHRI YEERA NARAYANASWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether the Tobacco Board has been monitoring the trends of export of Indian tobacco;

(b) what are the exports prospects for new varieties of tobacco grown by our farmers?

(c) whether any suggestions have been made by importing countries on different quality of tobacco required;

(d) whether the Tobacco Board has done by any survey of changing export trends overseas; and

(e) if so, the details and indications of the new trends?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEDGE): (a) Yes, Sir. The trends in export of Indian Tobacco for the past few years as monitored by Tobacco Board are as follows:

(Qty. tonnes; Value Rs. Crs.)

Year	Tobacco		Tobacco Products		Total		
	Qty.	Value	Qty.	Value	Qty.	Value	
						Rs.Crs.	M.US$
1994-95	44600	207.83	10822	59.95	55422	267.78	85.29
1995-96	72052	361.36	11883	59.68	83935	421.04	126.06
1996-97	117466	733.66	13115	92.86	130581	862.52	234.32
1997-98	136739	972.83	7795	88.36	144534	1061.19	272.52
1998-99 (Apr-Jan'99)	68484	526.61	16220	138.60	84704	665.21	164.16

(b) Varities which could produce good quality tobacco and high yields comparable to Brazil and Zimbabwe would enhance the prospects for increasing exports.

(c) to (e) The World tobacco production & consumption trends are being assessed on a continous basis. There is demand for flavourful/semiflavourful tobacco in the overseas markets the production of which in India is limited. Decline in world consumption of dark cigarette tobacco has also been witnessed. With the devaluation of Zimbabwe & Brazillian currencies their products have become price competitive. Further, Indonesia has also emerged as a new exporter of tobacco & tobacco products.

Supply of fertilizer to Tobacco Farmers

2043. SHRI YEERA NARAYANASWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether Tobacco Board has formulated any scheme to supply fertilizers to tobacco farmers on time;

(b) whether it is a fact that in various parts of the country, tobacco farmers have not received fertilizers in time;

(c) if so, what steps Tobacco Board are taking to coordinate with various agencies to help farmers in this regard, with details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Tobacco Board is acting as 'facilitator' for procurement and distribution of fertilizers with the objective of bulk/centralised purchases to ensure timely and economic supply at controlled price.

(b) All fertilizers were supplied in time except Sulphate of Potash (SoP) which was in short supply during the month of May and June, 1998.

(c) The Tobacco Board is liasing with the Indian Potash Ltd., which is the major improter of SoP, to have ready stocks for the forthcoming cropping season.

Upgradation of trade related office

2044. SHRI DRUPAD BORGOHAIN: Will the Minister of COMMERCE be pleased to state:

(a) whether his Ministry has decided to upgrade the Director General's Foreign Trade Office at Guwahati to a full-fledged Regional Office;

(b) whether Government also propose upgradation of Agriculture and Processed Foods Export Development Authority's office at Guwahati;

(c) if so, to what extent;

(d) whether Govoernment are in favour of giving sufficient financial and administrative powers to MMTC, STC, Spices Board etc.;

(e) if so, to what extent;

(f) whether Government propose to set-up a regional office of India Institute of Foreign Trade at Guwahati; and

(g) if so, by when?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes, Sir. The regional office of the Directorate General of Foreign Trade at Guwahati has been upgraded from the level of Deputy Director General of Foreign Trade to the level of Jt. Director General of Foreign Trade with effect from 25.9.1998.

(b) and (c) There is no such proposal at present.

(d) and (e) MMTC and STC are MOU signing companies and are vested with financial and administrative powers as per the instructions issued by the Department of Punlic Enterprises from time to time. There is also a functional Board on each of the Corporations to guide and monitor the activities of these Corporations which includes Government representatives.

(f) and (g) There is no such proposal at present.

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